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## The influence of country of origin on project management: an international empirical study

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### Abstract

This extended abstract discusses country-specific issues and their potential influence on the processes related to managing projects in global companies. The discussion stems from the literature review and the world-wide empirical web-based study. The survey covered over 400 companies from 20 countries, in three types of industries. Based on the data analysis, the results and conclusions are presented. The key findings are that the country of origin matters for immature companies in project management. Once the company reaches the second or higher level in project management maturity, industry specific issues prevail and its country of origin is no longer the issue.

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**Keywords:** Project management; company; country of origin; influence.

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### 1. Introduction

Companies are managing a greater number of projects nowadays (Spalek, 2012). The factors influencing their success are of a different nature ( Hong & Kim, 2002; Ika, 2009; Shenhar, Tishler, Dvir, Lipovetsky, & Lechler, 2002). Some of them are associated with the technology applied, the standards implemented and procedures involved (Minarro-Viseras, Baines, & Sweeney, 2005; Oellgaard, 2013). Another group considers staff training, experience and collaboration (Gorenak & Pilko, 2009; Neverauskas & Stankevicius, 2008; Spalek, 2012). The project environment is critical as well (Thamhain, 2013). Last but not least, knowledge management is crucial (Gasik, 2011; Holzmann, 2013; Spalek, 2013).

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The aim of the study is to investigate the influence of country of origin on project management (PM) practices by select companies where the PM practices are assessed using the Project Management Maturity (PMM) concept. To measure the PMM level, different models can be used (Wendler, 2012). However, the vast majority of them assess the level of maturity on a scale of 1 to 5, where 1 is the lowest and 5 is the highest. The assessment is carried out in each designated area separately and the number of areas varies a lot.

There is a plethora of literature which discusses different ways of managing projects influencing success in Project Management (Basu, 2014;; McDonough, 2000; Mueller, Gerald, & Turner, 2012; Ojiako, Johansen, & Greenwood, 2008; Pinter & Psunder, 2013; Shenhar, Dvir, Levy, & Maltz, 2001; Tatikonda & Rosenthal, 2000). Based on the literature review, the author discovered that the issue of influence of the nation specific matter on project management processes is not widely recognised. There are a number of them investigating cultural diversity (Dvir & Ben-David, 1999; Hargreaves & Endlar, 2011). However, they usually do not link the company's origins to project management related issues. An interesting observation was made by Song and Perry (Song & Perry, 1997). They researched over 700 Japanese and 600 American NPD projects and one of their major assumptions was to prove that there are cultural issues that significantly influence the projects in each country. Surprisingly, they did not observe that kind of correlation. Furthermore, Hobbs and Aubry (Hobbs & Aubry, 2008), investigating the typology of project management offices (PMO) in their world-wide research, did not observe any correlation between the type of PMO and the country of origin of the company. A lack of an established correlation formed the basis for the author to investigate, in his global research, the issue of country specifics influencing the processes related to project management.

There is a common assumption that company origin issues play an important role while managing projects. However, the question arises as to whether it is really true or maybe it is no longer valid. Based on the recent literature study and the empirical web-based research of more than 400 companies, the author answers the following research question: Is there a relationship between the way of managing projects and a company's country of origin? In this study, the way of managing projects was investigated by conducting an assessment of the PMM level of the company.

## 2. Method

The research was conducted using a web-based questionnaire (Spalek & Zdonek, 2011) in three types of industries: machinery, construction and IT. The main purpose of the study was to investigate the project management maturity levels of global companies.

During the research, the concept of project management maturity (PMM) was used to measure the way of managing projects in specific countries. In the study, the model which ascertains project management maturity in the company in four areas was used (Spalek, 2012). The assessment areas are as follows: (1) Methods and tools in project management (2) Human Resources in projects (3) Project Environment and (4) Project knowledge management. In this model, the measurement of maturity is based on a scale of 1 to 5, where 1 represents the lowest and 5 the highest level of maturity.

The questionnaire was divided into two major parts. In the first part, the data concerning the company were collected (including country of origin). The second part was to investigate the maturity level in each of the assessment areas, according to the assumed PMM model.

The targeted group was reached through personalised mailing lists (out of 930 mails sent, 52 questionnaires were filled in, which is a response rate of about 5%), posts on industry specific world-wide forums and advertising of the web-based questionnaire at international trade fairs. As the final result of all activities, valid data from 447 companies were obtained.

The companies participating in the study were from 20 different countries, mostly from the European Union (90%), North America - USA (8%) and some from Middle East & Asia (2%).

## 3. Results

The collected data were analysed using the Statistical Package for the Social Sciences (IBM SPSS build V21.0.0). In order reach final conclusions, multidimensional data analysis was performed. The first step was to

compare the descriptive data such as: mean, median, standard deviation, minimum, maximum values of project management maturity levels in the company's origin context.

The analysis of the descriptive data and spearman's rho correlation coefficients (at the significance level  $<0.01$ ) shows that the level of project management maturity varied across the industries. However, there was no strong evidence, under specific circumstances, that those differences were country specific.

It was remarkable that the lack of influence of the company's origin on project management processes and outcomes was observed if the company reported a level of maturity equal to or higher than 2. However, for the companies reporting the initial (1st) level of maturity, the relationship was strong.

For small companies (employing fewer than 50 workers), there were also some prerequisites of country specific dependencies. However, due to the limited nature of the sample of small companies (93.7% of companies were medium and large size ones), further investigation is needed to generalize the conclusions.

The results of the world-wide study showed that there is no significant influence regarding the global company's country of origin on the processes in project management associated with any of the investigated maturity areas.

The overall correlations are shown in Table 1.

Table 1. Correlation coefficients of country of origin and project management maturity level by assessment area.

Assessment area			Level 1	Level 2	Level 3	Level 4
Methods and tools	Spearman's rho	Correlation Coefficient	.368**	.112**	.106**	.102**
		N	447	447	447	447
Human Resources	Spearman's rho	Correlation Coefficient	.298**	.109**	.094**	.062**
		N	447	447	447	447
Project Environment	Spearman's rho	Correlation Coefficient	.378**	.121**	.103**	.092**
		N	447	447	447	447
Project Knowledge	Spearman's rho	Correlation Coefficient	.335**	.114**	.096**	.042**
		N	447	447	447	447

\*\* . Correlation is significant at the 0.01 level (2-tailed).

#### 4. Discussion/Conclusions

The results of the study show that the processes associated with modern project management in mature companies (reporting at least the 2nd level in project management maturity) are no longer country sensitive, at least to the extent it was over twenty years ago. There was no relationship found between the country of origin and project management specific issues in the investigated world-wide companies from 20 countries. Having said that, the data analysis shows that there is such a relationship for companies immature in project management (reporting level 1 of project management maturity). Furthermore, for small companies (employing up to 49 people), there were some correlations, regardless of the project management maturity level. However, due to the limited amount of sample data of such kind of companies, further studies are needed.

The other limitation of the presented study is that majority of the companies were from the European Union market. Therefore, more research from the other regions is needed, especially from Asia and the Middle East. However, this specific limitation can be used as support for the positive influence of the free movement of people and exchange of knowledge in the way the companies are managing projects.

We can assume that lack of "country sensitiveness in project management" is the result of the standardization of methods and tools in the global economy. The global market takes into account the behaviours of the people involved in projects. Altogether, it creates similar project environments with their specific issues. It means that, in mature companies, transnational concerns can be readily identified and such recurring problems have been previously addressed. To solve them, the lessons learned can be applied regardless of their country of origin.

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